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JULY 1952

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This Side and That

No Helter-Skelter Policy

Some young people fancy that science and technique neatly peppered with democratic slogans suffice to solve all human problems ; they call themselves progressive ; the main point with them is to move about, no matter in which direction ; they have no ideology, nor do they care about ideologies. They should heed the caution repeatedly uttered by our youthful Prime Minister.

During his pilgrimage to Ceylon, he declared : "We talk of atomic energy, bombs and the like. They represent something new in the world's history, something that may bring great benefits to humanity.... Ultimately we get back to the quality of the human being. We get back to the realm of morality and ethics from the purely economic and political realms in which we move.... All that we can do is to approach the problems in all humility, at the same time with as much keenness of mind as possible, also with

certain standards of moral and ethical behaviour, certain anchorings, certain principles by which we can judge the validity of things.... One thing is certain in my mind, and that is that means are as important as ends.... I do not think that political and economic problems can be solved adequately and fully without considering the moral and ethical aspects”.

The above quotation suffices to show how far Mr. Nehru's mentality is removed from the policy of our Red Comrades and their basic axiom : “What is useful to the party, that, and that alone, is moral and ethical”.

Family Planning

In unexpected contrast with the above serene declaration, one was surprised, a few days later, to hear the same leader give his full official support to a vigorous campaign for family-planning. “There has been opposition and sometimes religion was brought into the picture, but fortunately the opposition has not been organised.” One would have thought that organised political opposition was not necessary, that economic problems would not be solved adequately without considering their ethical aspects, that the means were as important as the ends. One had fancied that Congress leaders still remember the explicit and repeated denunciations of artificial birth-control by Gandhiji, who had taught them their basic lessons of ethics. Did not Gandhiji consider that “the greatest harm done by the propaganda (for contraceptives) lies in its rejection of the old ideal, and substitution in its place of one, which if carried out, must spell the moral and physical extinction of the race.... Contraceptives of a kind

there were before and there will be hereafter, but the use of them was formerly regarded as sinful. It was reserved for our generation to glorify vice by calling it virtue" (Harijan, 28—3—51).

And did not Gandhiji bring religion into the picture: "A moral life without reference to religion is like a house built upon sand. And religion divorced from morality is like sounding brass, good only for making noise and breaking heads. Morality includes truth, *ahimsa* and continence.... non-violence and continence are again derived from Truth which for me is God.... Hence my constant insistence on continence.... I have not the shadow of a doubt that any man or woman can achieve what I have, if he or she would make the same effort and cultivate the same hope and faith. Work without faith is like an attempt to reach the bottom of a bottomless pit" (Harijan, 3—10—36).

Is not Gandhiji's opposition enough to bar the policy of the present day Congress planners and legislators? "Contraceptives are an insult to womanhood. The difference between a prostitute and a woman using contraceptives is only that the former sells her body to several men and a woman using contraceptives sells it to one man" (Harijan, 5—5—46). Is not the actual crisis of India's modernisation an appropriate occasion to remember his decisive lead: "Great causes cannot be served by intellectual equipment alone; they call for spiritual effort or soul-force. Soul-force comes only through God's grace and God's grace never descends upon a man who is slave to lust" (Harijan, 21—11—36). How have Congressmen become oblivious of his warn-

ing which he summarised with the words of Paul Bureau : "The future is for the nations that are chaste ?"

Selling the Budget

Our Finance Minister confessed he had given up salesmanship a few years ago. Yet atavistic talent is not dormant in him. He never did a better sale in his life than when he sold his 1957-58 budget. He arrayed his arguments, excuses and concessions with virtuosity, marshalled, analysed and synthetized his statistics with resilient apropos, he remained on the qui-vive throughout the debate, moaning and laughing at the suitable moments, he advanced proposals on which he knew he would have to compromise, and focussed Parliament's attention on kerosene and postcards but quietly introduced two enormous novelties : the wealth-tax unknown to India, and the expenditure-tax unknown to the whole world. In future everything is allowed to be taxed, at the production end or at the consumption end : income earned and unearned, revenue individual or corporate, wealth productive or unproductive, wealth accumulated or wealth dissipated, every resource is to be taxed, except the Finance Minister's ingenuity to unearth buried treasures.

We must gird ourselves for a period of austerity ; officials themselves will cut down their expenses, diminish their retinue, and seek prestige from punctuality and efficiency. Their example will tell on the people, and the nation will be mobilised for the crucial cause of the Second Five Year Plan. As Gandhiji said, great causes call for spiritual effort or soul-force.

A. L.

Workers' Education

With the rapid industrialisation of the country through the implementation of the Second Five Year Plan, a larger proportion of the Indian population will be engaged in industry. More people than ever will be leaving the countryside for employment in the towns. Side by side with the procurement of the raw material that is required to reach the annual 5% increase in production during the period of the plan, it is now being acutely realised that some attention must be paid to the human resources implicated in raising our industrial production. The human factor in industry can make or mar the success of the Second Five Year Plan. A series of strikes can cause a dislocation in the smooth process of increasing industrial output that might cost the country the loss of crores of rupees and valuable time. Numerically and even strategically, it is Labour that is the largest and most important of the human factors in modern industry despite the rapid advance of automation. And with the equalising tendencies of the present age, there is no doubt that the power of Labour will grow and its influence increase in every sphere of modern industry.

The appearance of this new phenomenon on the industrial horizon had been heralded in other countries at first with a host of repressive measures, until gradually the social conscience repaired the injuries done to the working class through a recognition of the rights of labour, more enlightened legislation and finally by a greater participation of labour in managerial functions. In India, an increasing awareness of

the problems and the latent threat that an antagonistic labour movement might hold in store for the industrialisation of the country, has compelled the Government to set aside Rs. 50 lakhs for what is now popularly called 'Workers' Education'.

Workers' Education

But what is generally understood by Workers' Education is not too clear and not even experts are agreed on the connotation of the phrase. However it is generally accepted that the phrase is no mere synonym for Adult Education or Social Education of the Worker. It has a specific meaning. It connotes the information and training that a worker needs to become a good worker, a good trade unionist and a good citizen. It does not therefore necessarily imply vocational training, though this may not be excluded from the definition. But it does emphasise the intellectual preparation of the worker for active and conscious participation in his trade union, in the industry to which he belongs and in the community in which he lives. In a sense, Workers' Education does overlap certain aspects of Social Education, but it is more specific since it is confined to the narrower field of his interests which coincides with his life as a worker, a trade unionist and a citizen.

The Goals of Workers' Education

The immediate goal of a scheme of Workers' Education would be the formation of a free, strong, united and responsible trade movement in the country. A trade union that is not free from Government interference so that it can function democratically, is no trade union, but a totalitarian menace. Freedom and

democracy imply responsibility, and a responsible trade union is a boon to any country at every stage of its industrial development. On the other hand, a trade union movement that is not strong and united cannot really perform its functions in the industrial community. Weak and disunited, the trade unions will become the pawns of management and the fishing grounds for every kind of exploiter. They will harm the cause of the worker rather than help him. In unity lies strength and in our country, the great need of the trade union movement is a united front capable of placing before the employer, the government and the community the just demands of Labour backed by the loyalty and the determination of the worker to improve his conditions of work and life. There is no other way to secure what he wants than combination in a strong united trade union.

Obviously, while a strong free and responsible trade union movement benefits primarily the worker, production is not likely to suffer. On the contrary there is every hope for its growth and increase since a responsible trade union is concerned with the larger interests of the country and in the securing of a greater share of profits for the worker. Peace within the industry is more likely to be maintained since the workers are far more conscious through their organisation of the contribution they are making towards the maintenance and prosperity of the firm. Higher wages, larger profits and lower prices can be complementary objectives where a Workers' Education programme has been successfully implemented as borne out by the experience of highly industrialised countries.

Who should be trained ?

It is sometimes discussed whether all trade unionists need undergo the training envisaged in a Workers' Education programme. Experience seems to suggest that there should be courses for rank and file as well as for union officials, and even top leadership in the union cannot do without them, although the method of imparting the knowledge will differ with the various grades of trade unionists in the union. A further question might well be ; should the training be restricted to union members or should non-union members working or not working in the industry be admitted to the training classes ? In India the question has a special significance, because of the presence and influence of the 'outsiders' in the trade union movement. The 'outsider' has played a dominant role in the progress and activity of practically every large trade union in the country and to exclude him entirely and immediately from the trade union movement might deprive it of the urgent leadership it still needs for its development. Till labour leaders are forthcoming from the rank and file, the 'outsider' will still be needed. He should therefore be permitted like the rest of the unionists to take part and profit by a programme of Workers' Education.

But what about non-union members who are however working in the industry in which the union exists. Many of them might turn out to be good unionists if they could be induced to see the union in its right perspective. Some of them may not have joined the union or perhaps left it because they disagreed with its policy or found its leadership too domineering. It

seems fairly clear that opportunities for the study of unionism should also be provided for them since they are potential unionists and labour leaders.

The Contents of the Courses

The main purpose of the instruction should be to create a trade union consciousness in the minds of all workers, unionists and non-unionists. And this can be done by explaining to the worker the importance of the role he plays in industry, and his need for an association that can safeguard and improve the conditions of his work and life outside the factory. His rights and obligations to his employer and to the community must form part of this fundamental instruction.

A more advanced and systematised course of instruction will have to be given to union officials to enable them to organise and administer their unions successfully, and to union leaders to train them to deal with management especially across the bargaining table. Because of the backward condition of the workers living in urban areas where they are denied the very essential elements of living like human beings, community welfare and the provision of essential services will form part of the union's activity, and therefore training for social welfare will have to form part of the curriculum. Labour legislation and regulations affecting labour should be studied. Finally since the Second Five Year Plan is so explicit about the development of worker participation in management, the representatives of the trade unions must be prepared for the task, if their role on the various Joint Councils of

Management and Labour is to be more than that of a sleeping partner.

Teaching Materials and Aids

It is very important to bear in mind that trade unionists are neither children nor university students. Most of them are adults with well-formed interests and habits of thinking of their own. Teaching trade unionists has therefore its own problems many of which are similar to those met with in an adult education programme. Fortunately in India much experience has been gained in the field of adult education or social education as it is now called. And the Workers' Education programme will have to take over many of the techniques of teaching discovered and profitably employed in Social Education.

In this context teaching materials and aids assume a position of importance insofar as they are required to help the adult worker assimilate new knowledge through media that are interesting and closely concerned with his own interests. For rank and file workers, very simple pamphlets with coloured illustrations explaining the union and its function on his behalf will certainly make him union conscious. Besides short films, charts and posters could be suitably used for the same purpose. Specially prepared radio programmes for workers could be broadcast with the same intent. Every type of audio-visual aid in use for Social Education could be adapted to serve the need of educating workers in a knowledge of their union, its goals and purposes and their rights and obligations as members of the union.

For the higher and longer types of courses, textbooks will have to be prepared and especially teaching manuals to guide the instructors in their work. Much information about workers' conditions in India will have to be gathered and set out either in books or pamphlets in a form attractive to workers and trade union officials. This is by no means an easy task but it has to be done if the message of sound trade unionism is to be conveyed to the mass of workmen and inspire them to join and run their trade unions in a free, democratic and responsible manner.

The Teachers — who should they be ?

The choice of teachers will be a difficult one in a programme of Workers' Education because the methods of teaching will vary from the simple lecture to the complicated role playing and discussion classes in which the audience is expected to actively participate. For a group of adult learners, a dry lecture however full of informative material may fall on deaf ears ; moreover the men must be made to think for themselves and to realise that what they have learnt in class can be put into practice. For the union officials, training in union administration and union functions can be more easily imparted through the lecture method, but leadership training for union leaders will require a knowledge by the teacher of the various modern devices of getting men to assume leadership and developing their leadership potentialities to the full.

On the other hand, specialised subjects like labour economics, labour law, or labour statistics may well

be handled by experts either from the Universities, or the Courts, or the Government Departments. But obviously the teaching of how to organise and administer Trade Unions should be left to trade union officials who have done the job for years. No classes of any kind would be suitable for top leadership, but seminars in which labour problems are discussed and foreign experience outlined could be of great value and benefit to them.

Agencies for Workers' Education

It is accepted as an almost axiomatic principle that it is one of the fundamental obligations of the Unions to educate their own men at every stage of a full-fledged plan for Workers' Education. Normally the Unions should have an Education Department of their own, which will plan out and conduct the studies. But in India where the Unions are financially decrepit, the Government proposes to step in with a promise of initial aid, on condition that after the programme has been inaugurated, the Unions will take over and carry it out themselves.

However since Government interference in union affairs is always suspect, it is the Universities and the colleges that will have to assist the unions in setting up and running the scheme with the financial assistance of the Government. The Universities, as the purveyors of education, cannot but be interested in assisting the unions to train their men even if it be in such a specialised field as trade unionism. The idea of the Universities developing into what are known as Peoples' Universities so as to broaden the field of their

interests and become truly national in outlook and serve all interests, both bourgeois and proletarian, has been implemented in the United States and the Scandinavian countries. Why cannot the same be done in India? As a matter of fact the University of Bombay has already started three months courses in Labour Relations for trade unionists in Marathi, and these are being well attended. Similarly the colleges could offer the facilities of their staff and buildings for the same purpose. Working in close conjunction with the unions, these teaching institutions can make a real contribution to the growth and development of a healthy Workers' Education programme.

It is very unfortunate that there is no Workers' Educational Association in India. In the countries of the West, this association has done yeoman work in providing opportunities for workers to train themselves for active participation in their unions through basic knowledge of modern industrial life, and the role of the union therein. As an agency that has no direct link with either the government or the employers, the Workers' Educational Association has won the confidence and admiration of the workers, and in its teaching the Association could be very honest and factual and thus make the workers realise in which direction their real welfare lies. No longer could mere rhetoric or theory not based on facts appeal to the worker who had taken a course with the Workers' Educational Association. Such an Association is an urgent need in our country.

The Length of the Training

A very disputed point in a programme for Workers' Education is the length of the training period. How long should each course be? A week, a month, three months, a year or two years? Experience seems to show that a week or a couple of weeks full time instruction through a liberal use of audio-visual aids and discussion methods should be sufficient for rank and file workers. A longer period of training might not attract them or prove too boring, besides a heavy drain on the funds of the union. For union officials, however, longer courses of about 12 weeks are more suitable. It might be questioned whether they can acquire a sufficient knowledge of union administration and other union problems in so short a space of time. The answer seems to be that the 12 weeks course should only be one of several which they should take in rotation. The important point to remember is that too long a separation from the union tends to make a man lose his interest in its activities. He may have been replaced during the time of his absence, or he may come back with a superior attitude of telling the men what they ought to do. Certainly, no democratic unions can be run on these dictatorial lines. In the United Kingdom, workers who were sent to the Universities for special two year courses in Trade Unionism did not go back to their old jobs and help their unions but found themselves better paid jobs elsewhere with a managerial status. It is therefore advisable that the trade unionist should not be away from his union and its environment for longer than 12 weeks. If he feels the need of further training he should be given the opportunity through a further course not exceeding 12

weeks however. In this way he will be able to profit by his training and at the same time stick to his union and give it the benefit of his increased competence.

Finance

Who is to pay for the worker while he is away from the factory and busy educating himself? Should he pay out of his own pocket? Or should the union pay for him? Or could management make a contribution? Or must the State bear the entire burden? Considering the marginal income of the worker, even in the advanced industrialised countries of the world, one could hardly expect him to foot the bill. And since he pays his union subscriptions, it seems obvious that the union should pay for him. In many cases, where the unions are well organised, the worker receives a stipend from the union during his period of training. On the other hand, management must be ready to release the worker for training, and perhaps even pay him his normal salary while he is away. In other words, leave with pay should be the employers' contribution to the financial aspect of the scheme. But how many employers in India will be willing to release their workers on such terms? They might be induced to do so, if the fruits of Workers' Education is a democratic and responsible trade union functioning within their industry. Finally the State may have to offer some financial assistance, although with financial assistance comes some kind of control and interference. But so long as this control is limited to seeing that the money is being well spent, there should be no suspicion of such an offer. The Indian Government

seems to be the first government in the world to inaugurate a Workers' Education programme, which is something unusual. Rs. 50 lakhs has been set apart for this purpose in the Second Five Year Plan.

Conclusion

There is no doubt that if a Workers' Education scheme is inaugurated early enough and carried through with determination along the lines outlined in the above paragraphs, a free, democratic and responsible trade union movement is bound to result. In place of the disunited unorganised and irresponsible unions, broken up by factions and ideologies, that are the plague of industrial progress at present, the country would greatly benefit from the co-operation and statesmanship of nature unions, who can identify their interests with those of the entire community, and work for the common good as well as their own welfare. Such has been the experience of other countries that have elaborate programmes of Workers' Education. The same good results could therefore be achieved in our own country, the only requirement being the co-operation of the unions with the educational authorities, for the training and instruction, and the employers and government for the necessary finance. Given these factors, there is no reason why a scheme of Workers' Education in India should not succeed.

A. Fonseca

The Kerala Elections

While the impressive Congress success in the General Elections to the Lok Sabha and to the various State legislatures, has brought light and cheer to top Congressmen in Delhi, the unexpected results of the elections in Kerala have marred their joy, and created a serious problem for the country in this newly reorganised State, which is the smallest in India. The people of Kerala have somehow voted a Communist Government into power. The Communist party with 60 of its members and with the support of 5 Independents returned with the co-operation of the Communist party, is assured a majority of 65 members in a House of 127. Of the other parties, the Congress secured 43 seats, the P. S. P. 9, the Muslim League 8, Independents 1, while one Anglo-Indian has been nominated to the Legislature by the Governor. We are therefore going to witness the rule of a party placed into power by democratic processes, but which itself does not believe in the principles of democracy beyond occasional lip-service to some of its essentials whenever it is deemed necessary to serve the party interests.

A Surprise

Not only the attention of India and especially of the Central Government, but the interest of the whole world is focussed on Kerala, which finds itself in the limelight out of all proportion to its size. The free world is anxiously waiting to see the outcome of the experiment which means so much both for India and for Asia. Any keen observer living in Kerala in the

days prior to the election would have expected some Congress defeats and some Communist success in the elections, but certainly not to the extent we have witnessed. The Communist victory was a surprise not only to the old Congress party politicians complacent in the notion of the invincibility of the Congress party, but to the Communists themselves. It must be admitted however that the Communists in Kerala planned their election strategy and worked for their representatives intensively and methodically. But their success in the elections surpassed their wildest hopes. This explains their hesitation and unpreparedness to take charge of the Government.

Analysis

Local Congress leaders have attempted explanations for the defeat of the Congress and the likely consequences that will follow, but in this article we are more concerned with discovering the reasons of the Communist victory in Kerala. If we analyse the actual votes and the results of the elections, the first thing to note is that this victory is more apparent than real. The Communist success is due not so much to the votes and the support of the people of Kerala, as to the clever *political maneuvering* of the Communists and of the poor tactics used by the Congress and the P. S. P.

Here are the actual facts taken from the results of the elections that support our assertion.

Communist Victory

Of the 7,600,000 voters in Kerala, 5,400,000 made use of their right. Of these, the Congress secured not

less than 2,209,251 votes, but won only 43 seats, while the Communists with 2,059,147 votes secured as many as 60 seats. Thus despite the fact that they gained less votes than the Congress party, the Communists were declared victorious at the polls. Such results are liable to take place due to our imperfect electoral machinery. Had our Constitution adopted the system of Proportional Representation, the Communists would never have secured the majority in the Legislature.

The Communists put up candidates in 100 constituencies, while the Congress more sure of themselves set up candidates in 124. In the places where the Communists did not contest the election, the party was very weak and their candidates would have even lost their deposits. They therefore concentrated their strength on places where they had some chance, while the Congress unfortunately dispersed their strength by putting up candidates in every constituency.

In order to understand better the nature of the Communist victory we must bear in mind the composition of the people of the State. About 24% of the population of Kerala consists of Eshavas and 6% of Depressed Classes, making together about 30% of the total population. It may be said without hesitation that these two groups are the main support and bulwark of the Communist party in Kerala. Of the nearly 2,060,000 votes obtained by the Communists in the recent election, about 70% or over 1,400,000 votes were given them by these two communities. They voted for the Communists *en masse*, 100% in several constituencies. All the other communities together gave

the Communists less than 30% of their votes. The Nairs in general supported the P. S. P. or the Congress; but if the Communist candidate happened to be a Nair, because of the communal spirit which is very strong in Kerala, the Nairs would prefer to vote for him rather than the Congress or the P. S. P. candidate. This however was not the case with the Eshavas who stood four square behind the Communist party. If a Christian happened to stand on a Communist ticket, and an Ezhava on a Congress one, the Ezhavas voted as a solid block for the Christian Communist. The Communists could thus rely safely on the faithful backing of 30% of the total population in Kerala for planning out their campaign for the elections. And unless some unexpected changes in the outlook of the Ezhavas and the Depressed Classes takes place, it will be difficult to undermine the strength of the Communist party in Kerala.

An analysis of the votes cast in favour of the Communists at the polls reveals the following approximate figures for each community :

Ezhavas	1,200,000
Depressed Class	250,000
Nairs	200,000
Muslims	150,000
Christians (Non-Catholics) ..	120,000
Catholics	50,000
Others	30,000

Reasons for success

Based mainly on the support of the Ezhavas and the Depressed Classes the Communists manoeuvred extremely well before the elections by organising night schools and house to house visits. They began to raise funds many months earlier and the sums they collected were very large. Few people refused to contribute to their fund ; even Christians were generous with them.

Another factor which must be borne in mind is that the Ezhavas and the Depressed Classes exercised their franchise at the high rate of 90% while scarcely 70% of the other communities went to the polls.

Once sure of their support, the Communists were involved in 13 straight contests in which they succeeded in as many as 10 constituencies. They were also implicated in 58 three-cornered fights, out of which they came out successful in 31 constituencies. Had the Congress and the P.S.P. joined forces in these 58 constituencies, the Communists would have stood no chance in more than half of the 31 in which they triumphed. Any keen analysis of the results of the Kerala elections is bound to come to the conclusion that the victory of the Communist party was very largely dependent on immediate circumstances that worked in their favour.

Congress Defeat

Local Congress leaders have attempted to give various explanations for the Congress debacle. The basic causes however for the Congress defeat seems to

have been too much self confidence and unjustifiable arrogance. The Congress High Command, in its optimism miscalculated the strength of the opposing forces and refused to ally itself with other parties like the P. S. P. to build up a united front against the Communists. Had the Congress formed an alliance with the P. S. P., instead of securing only 43 and 9 seats respectively, the two parties would have easily gained over 70 seats in the legislature and thus been in a majority. For out of the 31 seats obtained by the Communists in the three-cornered contests, at least 15 could easily have been snatched from them by the Congress—P. S. P. coalition. But some of the Congress leaders thought such a coalition below the dignity of the revered Congress party only to be awakened out of their complacent day-dreaming by the shock of bitter defeat at the polls. Further, the language used by some Congress leaders wounded the feelings of the P. S. P. and the Muslim League party very deeply.

Sometime ago Mr. Nehru stated that one of the causes of the Congress defeat was not so much the adherence of the people to the Communist ideology as their discontent on local issues. In Kerala, there exists the very knotty problem of *unemployment*, a problem that is practically insoluble by any party that is in power in the State. But the Communists have made capital out of the issue, and their propaganda has been highly effective in a state that has the highest literacy percentage in India. On the other hand, one must mention the organisational weakness of the Congress as shown in their lack of effective propaganda

machinery to counteract the wild and false promises of the Communists, while frequent quarrels in the Congress itself have paralysed its efficiency as a well-knit organisation.

* The Congress party is mainly supported by Christians, who form about 25% of the population and who therefore cannot give the Congress the majority of seats it needs in the Legislature. Catholics alone form only 14% of the population. On the other hand since the Ezhavas who are about 25% vote solidly for the Communists, the situation has been exploited by the Nairs who have been voting for either party to suit their own interests. It is a dismal fact that the Nairs Congress leaders have often acted with utter disregard for the legitimate demands of the Christian community that forms the backbone of the Congress party in Kerala. They have antagonised the Christians by their nepotism and partiality when in power. This partiality was shown in filling responsible posts in the administration by men of their own community. Such unfair action has widened the communal rift. The Christians, especially the Catholics, for long the staunchest supporters of the Congress felt that members of their community were been discriminated against. The denial of assistance to the Christian Depressed Class members only served to aggravate the situation. All the same in the recent elections, it is certain that 82% of the Catholics voted for the Congress, 15% of them voted for the P.S.P., and the remaining 3% for the Communists.

The support given to the Congress in the elections by different communities in Kerala can be roughly broken down into the following approximate figures :

Christians	1,250,000
Muslims	350,000
Nairs	200,000
Ezhavas	200,000
Depressed classes and others	120,000
<hr/>	
Total	2,120,000
<hr/>	

The total shows that Congress secured quite a large number of votes ; were we to add the 900,000 secured by the P. S. P. the result would have been a total of 3 million votes in favour of a Congress—P. S. P. alliance, which would have ensured a comfortable majority of seats for these two parties in the Kerala Assembly. Obviously this analysis leads to but one conclusion. An alliance between the Congress and the P. S. P. is imperative if the Communists are to be ousted from power. We can only hope that for the future directives to encourage this line of policy will issue from the Congress High Command.

The Communist Government

Some political experts in New Delhi and in Kerala believe that it will be difficult for a Communist government to carry on for long with the precarious majority they have secured, because the Congress, the P. S. P. and the Muslim League will fiercely oppose a party whose basic principles are a denial of the Indian Constitution, of national unity and of democratic methods.

How long the Communists will remain in power in Kerala will depend to a large extent on the contingencies of by-elections which may occur and also on the possibility of the opposition winning some members of the ruling party to their side. But if the Communists manage to rule, not in the rigid totalitarian manner, but in a democratic way, they may succeed in achieving reforms that might make them popular in the eyes of the people and ensure their position on the State gadi.

As a matter of fact, the Kerala government has already announced part of their programme such as an increase in teachers' and police salaries, workers' wages, land reforms, etc. It has also publicised its avowed policy of working the administration without corruption. It has denied reports that the Communist party would interfere with religious freedom. Indeed, Mr. Govindan Nair, Secretary of the Kerala Communist party, has officially described as pure propaganda the charge that the Communists are going to curtail religious liberty.

If the Communists succeed in achieving the aims described above, there may be serious repercussions in other States. It is not outside the bounds of possibility that the next elections might see a Communist majority in many more Legislatures. But if they are unable to solve to some extent the great problem of Kerala, the problem of unemployment, they may find it difficult to remain in power till the next elections.

Besides, if the Kerala government is going to function within the framework of the constitution, it can hardly be called a Communist government. The

task for the Communists will therefore not be an easy one. But we must remember that the Communist party while not accepting parliamentary democracy as a fundamental belief, has no scruples about using the parliamentary machinery to capture power and retain it, till the favourable opportunity for casting out democracy lock, stock and barrel comes their way.

Tactics

Have our people and especially the leaders of the Congress really realised what is afoot in Kerala? May not the Communist government in Kerala be utilized as a convenient springboard for capturing power in the other States? Communism is an international organisation and one feels afraid that the present government of Kerala is preparing a programme along these lines with outside help and under the guidance of the Indian Politburo, while parading an innocent and reformatory platform for the economic wellbeing of Kerala. The success of the Communist government in Kerala will mean a great deal for the rest of India since all eyes are now focussed on the Communist government.

The Communist party as usual will not reveal its plans till they are sure of capturing the whole of India. At this stage at any rate, their plans and objectives are mainly political. They are not anxious to bring about a tension between the Centre and the State of Kerala or disturb the relations with neighbouring states. If however the states bordering on Kerala prosper more than Kerala in the next five years, Communist propaganda would lose its strength and consequently its chances at the next elections.

But in no case should people believe that the Kerala Communist is a tamed and transformed Communist. We have it on the authority of no less a person than Mr. Nikita Krushchev that shrimps might learn to whistle before Communism gives up its faith in class war, which he described as the *essence* of Leninism. The Communist Government in Kerala must be closely watched and its tactics carefully examined for Kerala in the hands of the Communists might easily become the danger spot threatening the safety and the liberty of the entire nation.

Fr. Victor

Is Equal Opportunity Enough ?

Now some degree of 'eliteness' is inevitable in any society — and indeed desirable, for we are not trying to create a mediocre mass society, in which everyone is levelled down to a uniform denominator. Thus we can hardly imagine a society in which University education, for example, does not create a degree of elite feeling. But provided the society has an egalitarian ambience and no deep class divisions, the elite need not be divided by any large gaps from the mass of the population, who will therefore not feel markedly envious or inferior — indeed the term elite can scarcely be said to apply. This is the case in Sweden or the United States, where there is little trace of an elite psychology because there are no glaring differences between top and bottom, and no sense that the leaders belong to a different or superior class. All have shared broadly the same school education, there are no sharp differences of accent or style of life, and no deep consciousness of social inferiority or superiority.

C. A. R. Crossland in '*The Future of Socialism.*'

Documentation

THE HUMAN SIDE OF ECONOMICS

(Discourse of Pope Pius XII to representatives attending the first Congress of the International Association of Economists. Rome, September 9th, 1956)

You have chosen, gentlemen, on the occasion of this first Congress of the International Association of Economists to come and tell Us about your work. We are deeply moved by this proof of your loyalty and are glad to welcome such eminently qualified representatives of the world of economics. For by your teaching in universities, your writings and the well-founded judgements you formulate, you exercise a great influence on our modern society in which economic factors play such an important part.

In the present Congress, you intend to pursue the analysis of specific economic problems which you undertake in your annual reunions. For this is the principal work of your Association which was founded in 1949, under the guidance of UNESCO, to further the advance of the economic sciences through international collaboration. That you can already count on 25 national organisations from four continents is sufficient proof of the world-wide interest that your conferences arouse among those who have the public good at heart.

The Economist's Task in the Modern World

"Stability and progress in world economy": This is the theme you have chosen, and its very title suggests the difficult and sometimes perilous dilemmas that confront the economist of today. The many component elements of our vast social structure are so closely bound together that it is impossible to modify one without also affecting the rest and being obliged to take necessary measures to retain the balance. Thus, for example, it is dangerous to increase industrial output without guaranteeing markets for the goods produced, to modify the volume of money in circulation without reference to the corresponding volume of commercial transactions, or to aim at full employment without taking precautions against the risk

of inflation. And yet, the law of progress, inherent in all human activity, constantly calls for changes and improvements which cannot be brought about without temporary upheavals. The chief care of the specialist will be to allay, as far as possible, the harmful effects of the measures imposed, to take advantage of favourable circumstances while avoiding at the same time the harsh penalties of economic crisis. On the international level, a feeling of deep disaffection is springing up between poor countries which are becoming more acutely aware of their great needs, and those nations which are abundantly provided with the necessities and the luxuries of life. In these underdeveloped regions, progress is sometimes sought after with violence, and international peace jeopardised.

And so the economist's task, already fraught with responsibility, becomes all the more extensive and difficult. In a world where distances count for less and less and ideas spread with lightning speed, the destiny of mankind hangs in the balance. The decisions of politicians and the specialists who advise them can have immediate repercussions on the lives of thousands and millions of men, bringing sometimes timely reforms, and at other times widespread discontent. The time for reckless theories and subtle systems that might satisfy the abstract mind, while being entirely divorced from reality owing to some basic oversight, has surely passed. Today, you cannot be too careful in weighing the conclusions and judgments you formulate and in checking their scientific validity: and this latter entails a conformity not only with the laws of human thought and logic, but also with the objective conditions of economic reality. Without entering into a discussion of technical points, We would like, Gentlemen, to make a few brief reflections which your visit suggests to Us.

Errors of the Physiocratic and Classical Schools of Economic Thought

The science of economics arose, as did other modern sciences, from factual observation. But although the Physiocrats and representatives of the classical schools of economic thought believed that, by treating economic facts as physical

and chemical phenomena, they could construct a sound scientific system, the falsity of their position showed itself in the **glaring contradiction** between the theoretical harmony of their conclusions and the terrible social misery that continued to exist in the real world. The rigorous logic of their deductions could not make up for the weaknesses in their initial suppositions. For they considered the economic factor only from its quantitative and material angle, and entirely neglected its essential human element, namely, the relationship that unites the individual to society and imposes upon him obligations in the manner of using material goods which, far from the common end they should serve and made of them mere instruments with which the strong, subjected only to the law of unchecked and fierce competition, exploited the weak.

Errors of the Marxists

The Marxists set out to remedy this defect by stressing once more the social aspect of economics and preventing individuals from monopolising the means of production for their own exclusive profit. But in so doing, they fell into an error even more deadly in its consequences: they claimed that man was nothing more than an agent of economic forces and attempted to derive the whole structure of human society from the relations of production. Thus, although man would not longer be a plaything of irrational jokes, he would find himself imprisoned and crushed by the social framework of a society hardened by the elimination of spiritual values and no less ruthless in its actions and demands than the free play of an individual's will.

The Human, Moral and Social Side of Economics.

Neither school has considered the economic factor in its full sense: namely, both material and human quantitative and moral, individual and social. For over and above man's physical needs and the consideration these demand, over and above his integration in the social relationships of production, the truly free, personal and communal activity of man, as subject of economic life, must also be taken into consideration. When man produces, buys, sells or consumes goods, he is motivated by a definite intention which, besides being the

simple satisfaction of a natural appetite, may also be an entirely subjective expression of sentiment or passion. Motives such as self-love, prestige or revenge can completely unbalance economic calculations and sometimes introduce problems that fall outside the range of a science, in the strict sense of the word. So we must seek further afield, and acknowledge the importance of truly free and personal decisions which, being conscious and rational, are capable of entering as a positive element in the construction of an economic science. Eminent economists have placed strong emphasis on the real significance of the entrepreneur's role and on the constructive and deciding part he can play in economic progress. For besides subordinate agents, who merely carry out prescribed tasks, there are the leaders, the men of initiative, who leave the imprint of their personalities on the passage of events. They blaze new trails, provide stimulating incentives, transform techniques and increase in astonishing proportions the output of men and machines. It would be wrong to hold that such activity is always motivated by self-interest alone. Rather, it should be compared to scientific inventions or artistic creations which spring from an altruistic inspiration, and which, as a new form of knowledge or a more efficient method of action, are destined to enrich the whole human race. And so if a theory is to give a satisfactory interpretation of economic facts, it must take into account that the elements which compose these are human as well as material, social as well as personal, and finally, free yet logical and constructive because in harmony with true human nature.

It is true that the majority of people more commonly follow their natural and instinctive inclinations in their daily conduct, but We believe that in moments of crisis there are some, at least, for whom altruistic and disinterested motives predominate over purely material interests. Recent events have shown once more that even the poorest people can display a real spirit of sacrifice and generosity. One of the most encouraging signs of our present age is that it tends to accentuate the need that people have of one another by bringing them to realise that a human person can only attain to his full stature by acknowledging his personal and social res-

possibilities, and that many human and economic problems can only be solved by a greater mutual understanding and love.

Seek First the Kingdom of God

To conclude this train of thought, may We quote a sentence from the Gospel which states the Christian outlook on the problem of production and the use of material goods: "Make it your first care to find the kingdom of God, and his approval, and all these things shall be yours without the asking" (Matthew vi, 33.). Even when concerned with economics, man can never allow a complete separation between the temporal objectives he is seeking and the final purpose of his existence. These words of Christ have entirely reversed the normal views of man concerning his relationship with the material world: surely they suggest that we should strip ourselves, as far as possible, of any servitude to economic considerations in order to dedicate all our thoughts and actions to a service that is divine? They teach us to master that instinct which seeks only to enjoy as much wealth as it can; they invite us to prefer poverty as a means of freeing ourselves and serving the community. Even in this modern world, with all its hankering after material goods and pleasures, there are still people high-minded enough to choose the way of detachment and to place spiritual realities before the transitory.

The work of the economic specialist is not directly concerned with the principles We have been talking about, but We feel sure that if he bears them in mind, they can influence his general approach to economic problems, and that this influence can only be to the good.

We hope, Gentlemen, that your Congress will end on an optimistic note in spite of the many obstacles that bar the way to economic stability. If everyone has courage enough to face these problems without deceiving himself or falsifying any aspect of reality, We have no doubt that you will soon be able to congratulate yourselves on the outcome of your efforts, and pursue them more vigorously in a spirit of close and effective collaboration.

Social Trends

Orphanages and Widows Homes Bill

The main provisions of this Bill have already been discussed and criticised in a recent issue of *Social Action*.^{*} A strong protest again the Bill has been made to the Mysore Government by his Grace, the Archbishop of Bangalore and to the Madras Government by his Lordship, the Bishop of Vellore. The Archbishop of Bangalore argues that "while appreciating the motives underlying the Bill, we feel that the new regulations are so stringent, far-reaching and drastic, that institutions with a long record of meritorious social welfare work, extending in some instances to 50 years, and even a century, may be stifled out of existence and all private effort throttled. What gives us cause for great anxiety is the constitution of a board of control, a managing committee and administrative machinery with powers that are bound to have an undemocratic hegemony over even the most efficiently conducted institution. The rules for recognition and its withdrawal may give rise to harassment to and interference with our institutions. Constant visitations by officials and reports on conditions and managements may result in damping the enthusiasm of the staff in their arduous and often unpleasant task."

What his Grace finds very objectionable is the authority to be conferred on the Chief Inspector, the District Magistrate, or any other authorised person to

^{*} Vide *Social Action*, April 1957, pgs. 185 sq. for details of the Bill.

enter any orphanage or widow's home at any time of day or night, if he has reason to believe that any cognizable offence is committed or is likely to be committed. Just because some of the institutions in question were found to be badly managed, why should all the others, especially the Christian institutions which were praised for their efficiency and set as an example to others in Lady Rama Rau's report, have to suffer from the effects of rigid and ill-advised legislation.

Another objection raised by his Grace relates to the teaching of religion in these institutions. No religious instruction will be allowed under the Bill. This is certainly a denial of the professed secularism of the Indian Constitution and a negation of the fundamental right of religious liberty. The clause is obviously designed to prevent religious instruction of one denomination being imparted to those of another. But the method of achieving this aim is very clumsily conceived. Moreover a lack of religious spirit in the Institutions is not going to improve either the discipline or the moral growth of the children and the behaviour of the widows. Christian institutions are characterised by their sense of delicate charity, responsibility and devotion to duty, virtues that are the outcome of a deeply religious spirit. No amount of government legislation or inspection can ever capture this spirit which is the result of conscious religious observance and renunciation.

The Bishop of Vellore lays emphasis on the same disturbing aspects of the Bill, but he also points out that if there is to be any legislation at all on this

score, it should tend to weed out the chaff from the good grain, the badly managed institutions from the well-conducted ones. He further argues that the right of inspection might be abused and endless harassment caused both to the staff and inmates of the institutions by false reports. There is a tendency for the modern state to attempt to do everything for its citizens, from running the government which is its natural obligation to bringing up orphans which is far beyond its competence. There must be a dividing line somewhere. And so he suggests that the Bill be consigned to oblivion for if it becomes law, thousands of orphans and widows will be left destitute because many homes will have to close down, for it is impossible for them to survive under such unfavourable and stringent conditions.

May Day

The interest in the industrial worker is growing apace all over the country. This was clearly manifested in the enthusiasm with which May Day was celebrated by various Catholic Dioceses with the workers attending holy mass and a public rally. The worker is thus made to realise at least once a year that the Church is deeply interested in him and his affairs and has a plan for his social and moral benefit. The dechristianisation of the worker that has unfortunately taken place in the West is being forestalled in India to some extent. Unfortunately there are evidences that at least some of the workers, especially Catholic labour leaders, have been lost to the Church because they have met with unsympathetic treatment from a few misguided individuals at the beginning of their career. However

it can be safely maintained that the Church in India has not lost the worker as She has in Europe. The mass of Christian workers are still deeply loyal to their faith, though perhaps not many of them are aware of the social teachings of their religion. This is a dangerous lacuna in their minds and unless the Church's social teachings are presented to them in a simple concrete form in the way they can easily grasp, another poison in the form of Communistic materialism might seep in to fill the empty space. The mass and the rally must be followed by a continuous all-year-round training for social and union activity through study and action.

Domestic Servants

'Akalankalaya', the Recreation and Social Centre, for young girls working as domestic servants seems to be flourishing in Bombay. For many years now the problem of these young servant girls, who slave at their jobs for a mere pittance in many cases, has been publicised as an important matter for an examination of conscience by their employers, but with little effect. They are still an exploited group in the middle of the 20th Cent and a standing example of how little the social conscience has been roused out of its indifference to their misery. A long day of work, no weekly holiday, very poor wages, nothing to break the monotony of their daily drudgery, these are some of the conditions under which they live, not to speak of the risks to morality to which they are exposed in a large city like Bombay.

The Recreation Centre is a unique institution that seeks to better their lives both economically and morally.

Run by the Daughters of Mary Immaculate, the Centre aims to provide these girls with opportunities for rest, entertainment and friendship. It also seeks to provide them with a minimum of education so that they can read and write and learn to become trained servants and be able to live out their lives more fully and satisfactorily. This is delicate work and requires great sympathy and skill. But it can be very profitable for the girl herself to prevent her from drowning her sorrows in a life of prostitution to which a great many of such women are tempted.

The Always Conference

This Conference of Catholic Social Workers took quite a number of resolutions to deepen and expand their social activity. The great need of Housing and Industrial Co-operatives was explicitly mentioned. Especially in Kerala where the unemployment problem is acute, Industrial Co-operatives should greatly help ease the situation by providing people with work and income. The lack of housing and the high rents for houses are a common feature all over India. Housing Co-operatives are a solution, especially if the generous Government loans for low-income level groups are patronised. A third aspect that received emphasis was the preparation of trained social workers. Today one can safely affirm that effective social work can only be turned out by full-time professional social workers who are paid for their work. The Conference recommended the Central Social Welfare Board to finance the training of senior workers in care institutions run by voluntary agencies. This is a good suggestion and should be carried out. It is always safer to choose

people who have already had some experience of social work and shown an aptitude for it rather than train fresh young graduates who are more concerned in seeking in social work a profession by which they can earn their living. In Social Work very much depends on the spirit one brings to it.

Another resolution asks for the establishment of an Institute of Social Sciences to be established in Kerala. More important perhaps would be the setting up of a training centre in social work. This could be done through one of the colleges, of which there are so many in Kerala. There are quite a few young men from Kerala who have gone through a full-time social work course of training. Why couldn't the services of some of these young men be requisitioned for the purpose ?

Will these resolutions remain on paper or will they be put into practice ? One does begin to doubt after having witnessed a number of conferences. Particularly in Kerala, where a Communist government has been installed, a sense of urgency should prevail among the people to get things done before the masses throw in their full weight behind the Communist party in order to achieve what they think and feel is their just demand.

A Study Camp

A batch of enthusiastic young men training for the priesthood in Poona held a six-day study camp at a lonely mission centre in Khandalla. They studied the effects of India's rapid industrialisation on the social,

economic and cultural background of the country's newly recruited labour force. Modern technology by itself is a neutral instrument they felt, but it can be utilised either for the enslavement or the betterment of man. In conditions where the machine has been used as an occasion for quick profits and exploitation, it has degraded the worker and exposed him to the dangers of Communist materialism. In an under-developed country like India, however, there is danger of the State becoming an omniscient manager of all industry, especially if there is a determination to achieve a higher standard of life for the masses as quickly as possible. But the trouble arises that because totalitarian methods appear to be the quickest, the democratic ways of acting to which the Indian Constitution is wedded might be bypassed in favour of quick results.

As for the Indian Worker, much of his former religious beliefs are being undermined by the materialist atmosphere of the factory and the city. It may be that he stills conforms to the outward pattern of social and religious behaviour, but how long will he adhere to them? They do not provide him with the rational explanation he requires to imbibe the new techniques and the values that go with them to help him to integrate them into a reasonably satisfactory system of thought and motive for action.

Economically, he is not receiving the family wage which approximates to Rs. 100 to Rs. 120 in the large industrial centres like Bombay, Calcutta, Kanpur, Ahmedabad. He either lives in a tenement with several

other families or in overcrowded slums. Most of India's workers are still villagers at heart and have not been absorbed completely into the Proletariat. The unions to which the worker belongs are weak, disunited, led by outsiders and a prey to political parties. The worker has often to break up his home to come to the city in search of work. But the city attracts him and there is now no stopping the process of industrialisation. Indeed the industrial force is likely to grow very large in a short time. The new industrial centres should therefore be properly planned with due regard for the needs of human resources of production.

Socially, the worker finds himself a free man, conscious of his rights and his power as a member of a formidable group. The old caste cleavages are disappearing; so too are the ties of the joint family. But he is also made to feel lonely and insecure.

If he is not to be overwhelmed by the plague of either technological or Communist materialism, the Catholic worker in particular must find in his religion an answer to the problems raised by the new civilisation growing up around him. The priest must therefore be prepared both intellectually and culturally to sympathise with the worker's problems and offer him the means of solving them through an understanding of the industrial situation and a knowledge of the social doctrine of the Church. It is the duty of the Church to preserve and nourish the existing spiritual values in Indian culture like the belief in God, the respect of the Guru, the solidarity of the family, the dignity of the mother in her home. She must also integrate the

positive values introduced by the machine into her system of living and thinking and appreciate the advantages brought about by an increase of production and a higher standard of living. All this requires the priest to adopt a new outlook and a special training to meet the changing needs of a dynamic society.

Study camps if well planned and executed are not a waste of time. They are fast becoming one of the finest techniques of educating people to think for themselves and to make discoveries in a group through free and frank discussion. The intimate living together for a few days strengthens group unity and helps for better understanding among the individuals of the group. Interest in the subject can be very keen and a life long passion for a cause be aroused. This camp in particular succeeded to a large extent and much was achieved in the way of a new realisation of the urgency of the social problem in India and how the Church and the priest must find and be prepared with a solution.

A. F.

Economic and Social Survey

Taxes

The Central Finance Minister has introduced three bills in Parliament which seek to impose new taxes on certain categories of citizens. The bills in question are the Wealth Tax Bill, 1957, the Expenditure-tax Bill, 1957 and the Railway Passenger Fares Bill, 1957. The first taxes wealth, the second expenditure and the last, travel on railways.

All three Acts when passed will apply to the whole country. The Wealth Tax Act will be deemed to have come into force from 1st day of April, 1957, the Expenditure-tax Act will come into force from 1st April 1958 and the Railway Passenger Fares Act from the time it becomes law.

A. *The Wealth Tax.* Subject to the other provisions contained in this Act, there will be charged for every financial year commencing on and from the first day of April 1957 a tax in respect of the net wealth, on the corresponding valuation date, of every individual, Hindu undivided family and company.

In computing the net wealth of an individual the value of the assets held by him as well as those transferred by him to his wife or minor children or other persons will be taken into consideration. Certain assets, however, are excluded from the computation. These are :

- i — any property held under a trust or other legal obligation for religious or charitable purposes within India ;
- ii — any work of art, archaeological, scientific or art collections, books, manuscripts or heirlooms belonging to the assessee and not intended for sale ;
- iii — the right of an assessee to receive a pension or other life annuity in respect of past services under an employer ;

- iv—domestic animals and furniture, household utensils, wearing apparel, jewellery, provisions and other articles intended for the personal or household use of the assessee, subject to a maximum of twenty-five thousand rupees in value;
- v—the right or interest of the assessee in any policy of insurance before the moneys covered by the policies actually become due and payable to the assessee; and
- vi—the tools and instruments necessary to enable the assessee to carry on his profession or vocation, subject to a maximum of two thousand five hundred rupees in value.

The valuation. The value of any asset, other than cash, for the purposes of this Act shall be estimated to be the price which in the opinion of the Wealth-tax Officer it would fetch if sold in the open market on the valuation date.

The valuing of wealth and the collection of tax as well as the settling of disputes will be done by a specially appointed staff. It is computed that a huge staff numbering several thousand persons will be needed which will cost the exchequer something like Rs. 40 lakhs a year.

The rate of wealth tax payable has been stated in the Schedule to the Bill.

(a) In the case of an individual :-

(i) on the first rupees two lakhs on net wealth	Nil
(ii) on the next rupees ten lakhs of net wealth	½%
(iii) on the next rupees ten lakhs of net wealth	1%
(iv) on the balance of net wealth	1½%

(b) In the case of the Hindu undivided family :-

(i) on the first three lakhs on net wealth	Nil
(ii) to (iv) as above.	

(c) In the case of every company :-

(i) on the first rupees five lakhs	Nil
(ii) on the balance of net wealth.	½%

It is estimated that there are 36,000 "persons" liable to wealth-tax. Of these 26,000 are expected to have net wealth exceeding two lakhs and 4,000 exceeding three lakhs. There are 6000 companies which will have to pay taxes.

B. The Expenditure-tax. This is a new tax levied on expenditure by an individual or a Hindu undivided family. The tax will be collected from the first day of April 1958.

Every individual whose total income under the Income-Tax Act during the previous year exceeds Rs. 60,000 will be liable to pay the expenditure tax. The rate of expenditure-tax in the case of every individual and Hindu undivided family, on that portion of the taxable expenditure are :

(i) which does not exceed Rs. 10,000	10%
(ii) which exceeds Rs. 10,000 but does not exceed Rs. 20,000	20%
(iii) which exceeds Rs. 20,000 but does not exceed Rs. 30,000	40%
(iv) which exceeds Rs. 30,000 but does not exceed Rs. 40,000	60%
(v) which exceeds Rs. 40,000 but does not exceed Rs. 50,000	80%
(vi) which exceeds Rs. 50,000	100%

In computing the expenditure liable to tax under this Act any expenditure incurred, whether directly or indirectly, by a person other than the assessee in respect of any obligation or personal requirement of the assessee or any of his dependents, which but for the expenditure having been incurred by the other person, would have been incurred by the assessee will be included.

Expenditure incurred on a number of items mentioned in sections 5 and 6, is excluded. Some changes are likely to be made in these two sections when the Bill comes up for discussion in Parliament during the monsoon session.

Both the Bills have made elaborate provision for the making of the assessment, for appeals and penalties. The Income-tax department will be in charge, for the present at least, of the Expenditure-tax as well. It is expected the additional staff needed for the collection of this new tax will cost Rs. 800,000 a year.

C. Railway Fare Tax. A special tax will be levied on all passenger fares for journeys by railway for distances exceeding fifteen miles. The tax will have to be paid on all classes of fares including concessional tickets but excluding season tickets.

The rate of taxation is as follows :

- | | |
|---|------|
| (i) for distances from 16 to 30 miles | 5% |
| (ii) for distances from 31 miles to 500 miles | 15% |
| (iii) for distances over 500 miles | 10% |
| (iv) on mileage coupons | 12½% |

[on the cost of the coupons.]

The cost of living has been rising steadily over the past six months. The new taxes and excise duties imposed by the 1957—58 budget have boosted the prices still higher. Soon there will be an all round cry for increasing wages. The Communists have been quick to seize the opportunity afforded by the outcry against the burdens laid by the budget on the lower middle class to organise protest meetings and token strikes.

Production

India has made remarkable progress in the field of production of various commodities in spite of great difficulties. The country is short both in adequate finance and skilled personnel to undertake and execute various projects essential for the development of the country. But with the help and collaboration of other nations coupled with our own national effort the progress that we have made is such that we have every reason to rejoice at our achievements. Here are some figures which will bear out the above statement.

Coal. The production of coal has increased from 36 million tons in 1952 to 39 millions in 1956. The progress in this field has been severely restricted owing to the non-availability of adequate transport. Our railway system is not in a position to cope with the extra demands on it by industry. By 1960 the demand on coal will be to the tune of 60 million tons a year. To increase the production new coal fields are being opened up and transport facilities increased. The main coal bearing railway lines will be electrified which will facilitate the running of more and heavier trains. Half of the coal is mined by the State and the other half by private agencies.

Salt. Salt production reached the record figure of 88 million maunds in 1956. We are at present producing all the salt we need and a substantial amount for export. In 1956 over 8 million maunds of it was exported. Efforts are being made to increase exports and thereby earn some more much needed foreign exchange.

Oil. India has at present three oil refineries, two of which, the Burmha Shell and Stavnac in Bombay, are working to full capacity of two million tons a year. The refinery at Visakapatam operated by Caltex has just gone into production. It will be in full production by the end of 1957. Negotiations are going on to establish another refinery in North East India. Experts from various foreign countries are busy in several parts of the country looking for new sources of oil. Drilling operations began recently in West Bengal.

Fertilizers. In spite of the progress made under the First Five Year Plan in the matter of food production we are not yet in a position to say that we are self-sufficient. As a matter of fact the food situation is a cause of much concern to us. The First Plan had laid great stress on increasing food production and for this purpose had launched various river valley projects. Most of them have been completed or nearing completion. With the increased and constant supply of abundant water million of acres have been brought under cultivation. Governmen have established or are in the process of esablish-

ing fertilizer factories in different parts of the country. The first to be established was the one at Sindri in Bihar. It has increased its initial production of 35,000 tons in 1951-52 to over 333,000 tons in 1956-57. The capacity of the plant is being increased by 60 per cent. The Sindri fertilizer sells at Rs. 270 a ton. The other projected fertilizer factories are at the Bakra Nangal Project and at Neivelli. To meet the full demand we shall need many more.

Shipyard. India has only one major shipbuilding yard, at Visakapatam. In the period 1952--56 the Yard completed nine vessels of a total tonnage of 69,000 tons. A number of other ships are under various stages of construction. There are three new building berths at the Yard at present. The Government is planning both the expanding the existing yard and establishing at least another new one, preferably on the West Coast. A team of foreign experts are currently in India looking for a suitable site. Personnel for this new shipyard is being trained.

Machine Tools. We have established a factory at Bangalore to manufacture machine tools. We had to buy all the tools we needed for our industrial development from abroad which meant a terrific drain on our foreign exchange resources. The Bangalore factory, when in full production, will manufacture various kinds of machine tools which will go a long way in making India self-sufficient. At present the plant is turning out high speed lathes at the rate of 25 a month. Other forms of tools will be soon manufactured. We have also a factory in Calcutta producing various forms of instruments.

Penicillin. Another venture which has done really spectacular progress is the Penicillin factory at Pimpri near Poona. It is already in full production though production started only in 1955. In 1956 it produced penicillin at the rate of 14 million mega units a year. The rate of production is being stepped up thanks to the hard work put in by the experts at work there. Plans are made to increase the out-put considerably and also to produce other forms of antibiotics.

D. D. T. The Delhi factory commenced production in 1955 and has produced 500 tons of D.D.T. in 1956. This factory is being doubled and another is being set up at Alwaye.

Steel. The existing steel plants are being expanded, especially the one in Tatanagar. The new ones are rapidly taking shape and will start full production before the end of the Second Plan period. Hundreds of engineers to man these factories are being trained here in India and abroad. All the engineering colleges and technological institutions in the country have made provisions to train large numbers of desperately needed technician to run the machines in the factories that are coming up everywhere.

Electricals. In Bhopal the Government is setting up a factory for the manufacture of heavy electrical machines. It is expected to be ready by 1961-62 and will cost Rs. 450 millions. The factory will manufacture generators, transformers, switch-gears, traction equipment for the electrification of railways, hydraulic turbines for the hydro-electric projects, static capacitors and heavy motors. (*Economic Review*)

Sheep and Wool Production

For development of sheep and wool production in India, 396 extension centres are to be set up by March 31st, 1959 at a total cost of Rs. 15,000,000. The object is to improve sheep breeding and utilisation of wool, and conduct research on cross-breeding and selective breeding with a view to up-grading local sheep with the higher species. Already 24 such centres have been established and 166 will be established during the course of 1957-58.

F. C. R.

PRACTICAL CITIZENSHIP

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